



Signed and Filed: January 31, 2019

DENNIS MONTALI
U.S. Bankruptcy Judge

WEIL, GOTSHAL & MANGES LLP
Stephen Karotkin (*pro hac vice*)
(stephen.karotkin@weil.com)
Jessica Liou (*pro hac vice*)
(jessica.liou@weil.com)
Matthew Goren (*pro hac vice*)
(matthew.goren@weil.com)
767 Fifth Avenue
New York, NY 10153-0119
Tel: 212 310 8000
Fax: 212 310 8007

KELLER & BENVENUTTI LLP
Tobias S. Keller (#151445)
(tkeller@kellerbenvenutti.com)
Jane Kim (#298192)
(jkim@kellerbenvenutti.com)
650 California Street, Suite 1900
San Francisco, CA 94108
Tel: 415 496 6723
Fax: 650 636 9251

*Proposed Attorneys for Debtors
and Debtors in Possession*

UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION

In re:

PG&E CORPORATION

- and -

PACIFIC GAS AND ELECTRIC
COMPANY,

Debtors.

Bankruptcy Case
No. 19 - 30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

- ☐ Affects PG& Corporation
- ☐ Affects Pacific Gas and Electric Company
- ☒ Affects both Debtors

** All papers shall be filed in the Lead Case,
No. 19-30088 (DM).*

**INTERIM ORDER PURSUANT TO 11 U.S.C.
§§ 105(a), 345(b), 363(b), AND 363(c), AND
FED. R. BANKR. P. 6003 AND 6004 (I)
AUTHORIZING DEBTORS TO (A)
CONTINUE THEIR EXISTING CASH
MANAGEMENT SYSTEM, (B) HONOR
CERTAIN PREPETITION OBLIGATIONS
RELATED TO THE USE THEREOF, (C)
CONTINUE INTERCOMPANY**

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ARRANGEMENTS, (D) CONTINUE TO HONOR OBLIGATIONS RELATED TO JOINT INFRASTRUCTURE PROJECTS, AND (E) MAINTAIN EXISTING BANK ACCOUNTS AND BUSINESS FORMS; AND (II) WAIVING THE REQUIREMENTS OF 11 U.S.C. § 345(b)

Upon the Motion, dated January 29, 2019 (the “**Motion**”),¹ of PG&E Corporation (“**PG&E Corp.**”) and Pacific Gas and Electric Company (the “**Utility**”), as debtors and debtors in possession (collectively, “**PG&E**” or the “**Debtors**”) in the above-captioned chapter 11 cases (the “**Chapter 11 Cases**”), pursuant to sections 105(a), 345(b), 363(b), and 363(c) of title 11 of the United States Code (the “**Bankruptcy Code**”) and Rules 6003 and 6004 of the Federal Rules of Bankruptcy Procedure (the “**Bankruptcy Rules**”), requesting interim and final authority to (i) (a) continue operating their existing cash management system (the “**Cash Management System**”), as described in the Motion, including the continued maintenance of existing bank accounts at the Debtors’ banks (the “**Banks**”), (b) honor certain prepetition obligations related to the Cash Management System, (c) continue certain intercompany arrangements among the Debtors and certain non-Debtor affiliates and subsidiaries (the “**Non-Debtor Affiliates and Subsidiaries**”), (d) continue to honor all obligations with respect to certain Joint Infrastructure Projects, and (e) maintain existing business forms; and (ii) waive the requirements of section 345(b) of the Bankruptcy Code to the extent they apply to any of the Bank Accounts, all as more fully set forth in the Motion; and this Court having jurisdiction to consider the Motion and the relief requested therein pursuant to 28 U.S.C. §§ 157 and 1334, *Order Referring Bankruptcy Cases and Proceedings to Bankruptcy Judges*, General Order 24 (N.D. Cal.), and Rule 5011-1(a) of the Bankruptcy Local Rules for the United States District Court for the Northern District of California; and consideration of the Motion and the requested relief being a core proceeding pursuant to 28 U.S.C. § 157(b); and venue being proper before this Court pursuant to 28 U.S.C. §§ 1408 and 1409; and the Court having found and determined that notice of the Motion as provided to the parties listed therein is reasonable and sufficient under the circumstances, and it appearing that no other or further notice need be provided; and this Court having reviewed the Motion and the Wells Declaration; and this Court having held a hearing on the Motion; and this Court having determined that the legal and factual bases set forth in the Motion establish just cause for the relief granted herein; and it appearing that the relief requested in the Motion is necessary to avoid immediate and irreparable harm to the Debtors and their estates as contemplated by Bankruptcy Rule 6003, and is in the best interests of the

¹ Capitalized terms used but not otherwise herein defined shall have the meanings ascribed to such terms in the Motion.

Debtors, their estates, creditors, shareholders, and all parties in interest; and upon all of the proceedings had before this Court and after due deliberation and sufficient cause appearing therefor,

IT IS HEREBY ORDERED THAT:

1. The Motion is granted on an interim basis, as provided herein.

2. The Debtors are authorized, but not directed, to continue to (a) maintain and manage their cash pursuant to the Cash Management System in the same manner as before the Petition Date, (b) collect and disburse cash in accordance with the Cash Management System, including Intercompany Transactions between and among the Debtors and other Non-Debtor Affiliates and Subsidiaries, (c) perform and honor all prepetition amounts owing under the PG&E Corp. CSA, the Non-Debtor CSAs, the Stan-Pac Operating Agreement, the Gill Ranch Operating Agreements, and the Joint Infrastructure Projects, in the ordinary course, and (d) make ordinary course changes to their Cash Management System, without further order of the Court.

3. Each of the Banks is authorized, but not directed, to continue to honor transfers of funds in the Bank Accounts.

4. The Debtors shall maintain accurate records of all transfers within the Cash Management System and among the Debtors and Non-Debtor Affiliates and Subsidiaries so that all postpetition transfers and transactions shall be adequately and promptly documented in, and readily ascertainable from, their books and records, to the same extent maintained by the Debtors before the Petition Date.

5. The Debtors are further authorized to (i) designate, maintain, and continue to use any or all of its existing Bank Accounts, including those listed on **Schedule 1** hereto, in the names and with the account numbers existing immediately before the Petition Date, (ii) deposit funds in, and withdraw funds from, such accounts by all usual means, including, without limitation, checks, wire transfers, ACH transfers, and other debits, (iii) pay any Bank Fees or other charges associated with the Bank Accounts, whether arising before or after the Petition Date, and (iv) treat their prepetition Bank Accounts for all purposes as debtor in possession accounts.

6. The Debtors are authorized to open new bank accounts; *provided that*, all accounts opened by the Debtors on or after the Petition Date at any bank shall, for purposes of this Interim Order, be deemed a Bank Account as if it had been listed on **Schedule 1** annexed hereto; *provided, further*,

1 that such opening shall be timely indicated on the Debtors' monthly operating reports and notice of
2 such opening shall be provided to the United States Trustee.

3 7. All Banks with which the Debtors maintained Bank Accounts are authorized to debit the
4 Debtors' accounts in the ordinary course of business without the need for further order of this Court
5 for: (i) all checks or other items deposited in the Debtors' accounts with such Bank prior to the Petition
6 Date which have been dishonored or returned unpaid for any reason, together with any fees and costs
7 in connection therewith, to the same extent the Debtors were responsible for such items prior to the
8 Petition Date, and (ii) all undisputed prepetition amounts outstanding as of the date hereof, if any, owed
9 to any Bank as Bank Fees for the maintenance of or in connection with the Cash Management System,
10 which shall include all amounts owed by the Debtors to any Bank to repay or reimburse such Bank in
11 connection with ordinary course ACH transactions executed on behalf of or for the accounts of the
12 Debtors.

13 8. The Banks are authorized to charge, and the Debtors are authorized and directed to pay,
14 honor, or allow, both prepetition and postpetition fees, costs, charges, and expenses, including the Bank
15 Fees and charge back returned items to the Bank Accounts in the ordinary course.

16 9. The Debtors are authorized and directed to pay, honor, or allow, both prepetition and
17 postpetition Payment Processing Fees in the ordinary course.

18 10. The Banks shall not be liable to any party on account of: (i) following the Debtors'
19 representations, instructions, or presentations as to any order of the Court (without any duty of further
20 inquiry); (ii) the honoring of any prepetition checks, drafts, wires, or ACH transfers in a good faith
21 belief or upon a representation by the Debtors that the Court has authorized such prepetition check,
22 draft, wires, or ACH transfers; or (iii) an innocent mistake made despite implementation of reasonable
23 handling procedures.

24 11. Nothing contained herein shall prevent the Debtors from closing any Bank Account(s)
25 in the ordinary course and in accordance with their prepetition practices as they may deem necessary
26 and appropriate, any relevant Bank is authorized to honor the Debtors' requests to close such Bank
27 Accounts, and the Debtors shall give notice of the closure of any account to the United States Trustee.
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1 12. The requirements of section 345(b) of the Bankruptcy Code and the UST Guidelines are
2 hereby waived through and including the date of the final hearing set forth in Paragraph 20 hereof.

3 13. The Debtors are authorized to use their existing Business Forms and not print “debtor in
4 possession” on any of their Business Forms, and any otherwise applicable requirement that the Debtors
5 print “debtor in possession” on any new checks ordered during the Chapter 11 Cases, or that the
6 Debtors change their system for electronic generation of checks and Business Forms to reflect their
7 status as debtors in possession, is hereby waived.

8 14. Nothing in the Motion or this Interim Order shall be deemed to authorize the Debtors to
9 accelerate any payments not otherwise due prior to the Court’s ultimate disposition of the Motion on a
10 final basis.

11 15. Nothing contained in this Interim Order or in the Motion is intended to be or shall be
12 construed as (a) an admission as to the validity of any claim against the Debtors, (b) a waiver of the
13 Debtors’ or any appropriate party in interest’s rights to dispute any claim, or (c) an approval or
14 assumption of any agreement, contract, program, policy, or lease under section 365 of the Bankruptcy
15 Code. Likewise any payment made pursuant to this Interim Order is not intended to be and shall not
16 be construed as an admission to the validity of any claim or a waiver of the Debtors’ rights to dispute
17 such claim subsequently.

18 16. Notwithstanding entry of this Interim Order, nothing herein shall create, nor is intended
19 to create, any rights in favor of or enhance the status of any claim held by, any party.

20 17. The requirements for immediate entry of this Interim Order pursuant to Bankruptcy Rule
21 6003(b) have been satisfied.

22 18. Notwithstanding the provisions of Bankruptcy Rule 6004(h), this Interim Order shall be
23 immediately effective and enforceable upon its entry.

24 19. The Debtors are authorized to take all steps necessary or appropriate to carry out this
25 Interim Order.

26 20. A final hearing to consider the relief requested in the Motion shall be held on February
27 27, 2019 at 9:30 a.m. (Prevailing Pacific Time) and any objections or responses to the Motion shall be
28 filed and served so as to be actually received on or prior to February 20, 2019 at 4:00 p.m. (Prevailing

1 Pacific Time).

2 21. This Court shall retain jurisdiction to hear and determine all matters arising from or
3 related to the implementation, interpretation, or enforcement of this Interim Order.

4 ** END OF ORDER **
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